

FISCAL NOTE

SB 2590 - HB 2634

February 19, 2004

SUMMARY OF BILL: Expands the jobs tax credit against franchise and excise tax liability to allow businesses increasing employment by 20% over a two year period to take the credit without having to meet the current capital investment eligibility requirement. It would allow businesses qualifying for such a credit to continue to take the credit in subsequent years if they continue to have net increases in employment above the level when the tax credit was last taken.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$58,400 One-Time
Decrease State Revenues - Exceeds \$100,000 Recurring

Estimate assumes:

- The one-time increase in state expenditures is for software modifications that would be required by the Department of Revenue in association with the implementation of this bill.
- The annual decrease in state revenues is a result of decreased franchise and excise tax collections in association with the implementation of this bill.
- The tax credit is meant to apply to businesses that increase employment by 20% or more, rather than just 20%.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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